

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 2846 - SB 2770**

March 3, 2022

**SUMMARY OF BILL:** Increases, from 25 to 30, the number of qualified jobs a qualified business enterprise must create within an investment period to qualify for a job tax credit in a Tier 1 or Tier 2 enhancement county. Establishes that the proposed legislation does not affect a qualified business enterprise that met the requirements for receiving such credit prior to the effective date of this Act.

**ESTIMATED FISCAL IMPACT:**

**Increase State Revenue – \$1,819,300/FY22-23 and Subsequent Years**

Assumptions:

- Enhancement counties are determined on the metrics of the average number of dislocated workers in the county and the per capita income in the county, relative to the state.
- Based on information provided by the Department of Revenue (DOR), increasing the minimum number of jobs that must be created for a business to qualify for a job tax credit is estimated to decrease the number of businesses in Tier 1 and Tier 2 enhancement counties that qualify for the job tax credit by 16. This estimate assumes that approximately five percent of the average number of qualified businesses each year will no longer qualify as a result of this bill.
- Pursuant to § 67-4-2109(b)(1)(A), the job tax credit is \$4,500 for each qualified job.
- According to DOR, the average total tax credit per business is \$113,706.
- The recurring increase to state revenue is estimated to be \$1,819,296 (\$113,706 x 16 businesses) in FY22-23 and subsequent years.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner".

Krista Lee Carsner, Executive Director

/mk